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September 30, 2014

Ms. Alisa Bentley, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904

Re: PSC Docket No. 14-0284

Dear Ms. Bentley:

In accordance with Commission Order No. 8645 issued in the above docket, Artesian Water Company, Inc. hereby provides a copy of Resolution No. 2014-09 from the Susquehanna River Basin Commission approving the increase in the Consumptive Use Mitigation Fee to \$0.32 per 1,000 gallons. If you have any questions, please feel free to contact me at (302) 453-6995.

Sincerely,

David L. Valcarenghi
Manager of Rates and Regulation

cc: David B. Spacht



SUSQUEHANNA RIVER BASIN COMMISSION

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REGULATORY PROGRAM FEE SCHEDULE

Effective July 1, 2014

Adopted by Resolution No. 2014-09, June 5, 2014

1. The Susquehanna River Basin Commission (Commission) requires payment of nonrefundable fees for the review of applications (see tables herein). The following categories of projects require approval by the Commission under the Susquehanna River Basin Compact (the "Compact") and Commission regulations found in 18 CFR Parts 801 and 806.
 - a. Consumptive uses, including all related administrative approvals under 18 CFR §806.22.
 - b. Surface water and groundwater withdrawals, including any related aquifer testing plan evaluations, waiver requests, or aquatic resource surveys.
 - c. Diversions.
 - d. Hydroelectric projects.
 - e. Any other projects requiring the review and approval of the Commission under the Compact that do not involve a request for a quantity of water.
 - f. Other applications required under 18 CFR §806.5.
2. If any project involves more than one of the above categories, a separate fee is required for each category.
3. Fees for Consumptive Use Mitigation and Annual Compliance and Monitoring are also set forth in this schedule.
4. The appropriate fee must be submitted to the Commission with the project application (see Paragraph 13 regarding an installment payment option). Failure to submit payment of the fee or submission of an insufficient fee with the application will result in its return to the project sponsor or, at the discretion of the Commission, an additional billing of the proper fee to the project sponsor. Except as otherwise provided in Paragraph 9, refunds will be made for any portion of a fee payment submitted with the application that exceeds the

appropriate amount identified on the tables herein. The Commission will not take action on a project application until the appropriate fees are paid.

5. Agencies of the member jurisdictions to the Compact with applicable member jurisdiction-wide authority are exempt from project review fees. Political subdivisions of the member jurisdictions, as defined herein, are subject to these fees.
6. Agricultural water use projects, as defined in 18 CFR §806.3, are exempt from the fees set forth in this schedule.
7. Public water systems owned and operated by a governmental authority, as defined in 18 CFR §806.3, are eligible to pay the discounted fee amounts identified in the “Municipal Fee” category listed on the tables herein.
8. Groundwater remediation systems approved by an agency of a member jurisdiction shall pay a single withdrawal application fee based on the total requested quantity of withdrawal to create a single, localized depression within the groundwater table, regardless of the number of individual recovery wells being used in the system. Such systems shall also pay a single annual compliance and monitoring fee.
9. Fees paid in accordance with this schedule are nonrefundable, except as allowed for in Paragraph 14. Fees are not reduced nor any amount credited to the project sponsor if the Commission’s approval authorizes a rate of withdrawal or quantity of water that is less than that requested by the project sponsor, or if application deficiencies cause Commission staff to terminate review of the application during the review process.
10. If submitting paper application forms, project sponsors must complete and submit the enclosed Project Review Fee Worksheet (page 11) with their application payment.
11. When fees calculated in accordance with this schedule are deemed to be insufficient to cover costs associated with applications or compliance, or where technical assistance is otherwise provided at the request of the project sponsor, the project sponsor shall be responsible for all costs associated with actual hours worked by Commission staff, including an allocation of salary, fringe benefits and overhead costs. Projects which may require additional fees include, but are not limited to: withdrawals for power plants, out-of-basin diversions of water, and withdrawals from waterbodies identified under Commission Policy No. 2012-01 as Exceptional Quality or as Aquatic Resource Class 1 or 2. Efforts will be made to notify the project sponsor in advance if additional fees are anticipated.
12. The Commission may, for good cause shown, waive or partially waive any of the fees set forth herein for situations that include, but are not limited to: (a) an incentive for the use of impaired waters in accordance with Commission Resolution No. 2012-01; (b) applications that have previously undergone substantive analysis through member jurisdiction reviews or other previous and/or concurrent Commission reviews; and (c) certain technical considerations that reduce review requirements, such as multiple sources that may be evaluated as a single source (e.g., a wellfield). The Executive Director is authorized to grant fee waivers or partial waivers of \$15,000 or less. Any

requests for waivers or partial waivers for application fees related to projects proposing to use mine degraded water shall be considered in accordance with Commission Policy No. 2009-01. Applicants subject to financial constraints may consider the installment options set forth in Paragraph 13.

13. If the fees for any single application exceed \$25,000, or if the fees for a set of applications exceed \$50,000, project sponsors have the option of making installment payments. This option provides for the payment of up to three consecutive equal annual installments with interest thereon at a rate of prime¹ plus 2 percent, but not less than 5 percent per annum on the unpaid balance. The project sponsor should indicate that it intends to use this option when making application, and must submit an agreement for terms of payment in a form and manner prescribed by the Commission. Municipal² project sponsors have the option of making installment payments for fees exceeding \$15,000 in total, and may make payments of up to five equal annual installments with interest thereon at a rate of prime¹ plus 2 percent, but not less than 5 percent per annum on the unpaid balance. The first annual installment is due at the time the application is submitted.
14. The Executive Director is authorized to refund up to 50 percent of the application fee, depending upon staff effort expended, if the project sponsor voluntarily withdraws an administratively incomplete application prior to the commencement of technical review. Project sponsors will be notified electronically when an application is deemed administratively complete and technical review begins.
15. All projects approved by the Commission on or after January 1, 2010, including modification approvals and renewals, shall also be subject to annual compliance and monitoring fees as set forth herein. Fees are due and payable within 30 days from the date of invoice.
16. The fee which is due is based upon the fee schedule in effect on the date that the application is submitted to the Commission.

¹ Prime refers to the U.S. Prime Rate at the time of the installment payment request.

² For purposes of this fee schedule, municipalities are defined as political subdivisions of the member states, which shall include counties, townships, towns, boroughs, villages, cities, authorities, boards or any other organizations or public benefit corporations created by the member jurisdictions and not having jurisdiction-wide authority. When a municipality engages in private enterprise activities unrelated to traditional delivery of potable water to residences and businesses within its prescribed service area, fees associated with such activities will be subject to the standard fees applicable to any private enterprise.

TABLE 1. PROJECT REVIEW FEES

Project Category	Requested Quantities¹ or Capacities	Standard Fee	Municipal Fee
Consumptive Water Use	20,000 gallons per day (gpd) – 99,999 gpd 100,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 million gpd (mgd) – 5 mgd Over 5 mgd	\$ 3,050 6,125 12,150 36,350 60,625	\$ 2,440 4,900 9,720 29,080 48,500
Approval by Rule Consumptive Use; 18 CFR §806.22(e)	20,000 gpd – 99,999 gpd 100,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd Over 5 mgd	\$ 1,550 3,075 6,075 18,175 30,350	Not Applicable
Approval by Rule ² Consumptive Use; 18 CFR §806.22(f)	<u>Unconventional Natural Gas or Other Hydrocarbon Development</u> <u>Water Source:</u> Source Registration; Subsection (12) Source Approval; Subsection (13) Hydrocarbon Water Storage Facilities; Subsection (14)	\$ 10,000 530 1,125 2,575	Not Applicable
Surface Water Withdrawals ^{3,4}	Less than 100,000 gpd 100,000 gpd – 249,999 gpd 250,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 5,300 7,950 10,600 13,250 15,875 34,500 34,500 + \$5,875 for each additional 1 mgd increment ^{5,6}	\$ 4,240 6,360 8,480 10,600 12,700 27,600 27,600 + \$4,700 for each additional 1 mgd increment ^{5,6}
Groundwater Withdrawals ^{3,4}	Less than 100,000 gpd 100,000 gpd – 199,999 gpd 200,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 6,800 10,225 13,675 17,100 20,475 44,450 44,450 + \$7,800 for each additional 1 mgd increment ^{5,6}	\$ 4,356 4,356 8,732 10,921 13,089 28,426 28,426 + \$4,992 for each additional 1 mgd increment ^{5,6}
<u>Diversions:</u> Into Basin	All quantities	\$ 10,125	\$ 8,100
Out of Basin	Less than 250,000 gpd 250,000 gpd or greater	10,125 30,350 + consumptive use fee (unless not applicable)	8,100 24,280 + consumptive use fee (unless not applicable)

TABLE 1. PROJECT REVIEW FEES (continued)

Project Category	Requested Quantities¹ or Capacities	Standard Fee	Municipal Fee
Hydroelectric Projects (New or Re-licensing)	Greater than 10 megawatts (anything less subject to "all other projects" category below)	\$236,325	Not Applicable
All other projects requiring review and approval and not otherwise specified	All quantities or capacities	\$ 5,050	\$ 4,040
Aquatic Resource Survey ^{4,7}		\$ 6,875	\$ 5,500
Pre-Drill Well Site Review ⁸		\$ 2,275	\$ 1,820
Aquifer Testing Plan ^{3,9}		\$ 5,125	\$ 3,832
Aquifer Testing Plan Waiver Request Evaluation ^{3,9}		\$ 5,125	\$ 3,832
Emergency Certificate		\$ 5,050	\$ 4,040

¹ Fees are based on the maximum withdrawal amount (on a peak day or 30-day average basis, as appropriate) requested in the application.

² Except where the project sponsor has an approved docket, any water source serving an Approval by Rule must be either registered or administratively approved, regardless of quantity.

³ A separate application fee is required for each withdrawal location, except for groundwater remediation systems that may be eligible for a single fee.

⁴ An aquatic resource survey fee may be required for applications for surface water and groundwater withdrawals, or for modifications or renewals of approved withdrawals (see footnote 7).

⁵ 1 mgd increment includes any amount from 1 gallon to the next mgd.

⁶ The maximum calculation of a project fee for this category will be \$282,675.

⁷ Aquatic resource surveys will be conducted on streams when recent relevant data are not available to evaluate the potential impacts of a withdrawal. Commission staff will make that determination during the review of an application and will invoice this fee separately.

⁸ Project sponsors may request a pre-drilling evaluation for proposed groundwater withdrawals. Fifty percent of the fee paid for a pre-drilling evaluation will be applied towards the aquifer testing plan fee for a well that was completed at the same borehole location identified in and evaluated with the pre-drilling well site review.

⁹ If a waiver for an aquifer testing plan is requested and denied, the project sponsor will be required to develop an aquifer testing plan and pay an additional fee.

TABLE 2. PROJECT REVIEW MODIFICATION FEES

Project Category	Amount of Requested Increase in Quantities or Capacities¹	Standard Fee	Municipal Fee
Consumptive Water Use	Less than 100,000 gpd	\$ 3,050	\$ 2,440
	100,000 gpd – 499,999 gpd	6,125	4,900
	500,000 gpd – 999,999 gpd	12,150	9,720
	1 mgd – 5 mgd	36,350	29,080
	Over 5 mgd	60,625	48,500
Approval by Rule Consumptive Use; 18 CFR §806.22(e)	Less than 100,000 gpd	\$ 1,550	\$ 1,240
	100,000 gpd – 499,999 gpd	3,075	2,460
	500,000 gpd – 999,999 gpd	6,075	4,860
	1 mgd – 5 mgd	18,175	14,540
	Over 5 mgd	30,350	24,280
Approval by Rule Consumptive Use; 18 CFR §806.22(f)	Unconventional Natural Gas or Other Hydrocarbon Development	\$ 1,125	Not Applicable
	Water Source	1,125	
Surface Water Withdrawals ²	Less than 100,000 gpd	\$ 5,300	\$ 4,240
	100,000 gpd – 249,999 gpd	7,950	6,360
	250,000 gpd – 499,999 gpd	10,600	8,480
	500,000 gpd – 999,999 gpd	13,250	10,600
	1 mgd – 5 mgd	15,875	12,700
	5,000,001 gpd – 10 mgd	34,500	27,600
	Over 10 mgd	34,500 + \$5,875 for each additional 1 mgd increment ^{3,4}	27,600 + \$4,700 for each additional 1 mgd increment ^{3,4}
Groundwater Withdrawals ²	Less than 100,000 gpd	\$ 6,800	\$ 4,356
	100,000 gpd – 199,999 gpd	10,225	4,356
	200,000 gpd – 499,999 gpd	13,675	8,732
	500,000 gpd – 999,999 gpd	17,100	10,921
	1 mgd – 5 mgd	20,475	13,089
	5,000,001 gpd – 10 mgd	44,450	28,426
	Over 10 mgd	44,450 + \$7,800 for each additional 1 mgd increment ^{3,4}	28,426 + \$4,992 for each additional 1 mgd increment ^{3,4}
<u>Diversions:</u> Into Basin	All quantities	\$ 10,125	\$ 8,100
	Out of Basin	10,125 30,350 + consumptive use fee (unless not applicable)	8,100 24,280 + consumptive use fee (unless not applicable)
Hydroelectric Projects	Greater than 10 megawatts (anything less subject to “all other projects” category below)	Actual Costs	Not Applicable

TABLE 2. PROJECT REVIEW MODIFICATION FEES (continued)

Project Category	Amount of Requested Increase in Quantities or Capacities¹	Standard Fee	Municipal Fee
All other projects requiring review and approval and not otherwise specified	All quantities or capacities	\$ 5,050	\$ 4,040
Transfer of Approval ⁵		\$ 1,050	\$ 840
Re-issuance of Approval ⁵		\$ 525	\$ 420

¹ When the requested modification for any category of project listed does not include a request to increase quantities, the lowest fee for the applicable project category shall apply.

² A separate application fee is required for each withdrawal location, except for groundwater remediation systems that may be eligible for a single fee.

³ 1 mgd increment includes any amount from 1 gallon to the next mgd.

⁴ The maximum calculation of a project fee for this category will be \$282,675.

⁵ The fee for transfers or re-issuances as defined under Commission regulation found in 18 CFR §806.6 which occur simultaneously as part of a single transaction will be reduced by 50 percent when the number of transfers or re-issuances in the transaction equals 25 or more.

TABLE 3. PROJECT REVIEW RENEWAL FEES

Project Category	Requested Quantities ¹ or Capacities	Renewal		Renewal With Modification ²	
		Standard Fee	Municipal Fee	Standard Fee	Municipal Fee
Consumptive Water Use	Less than 1 mgd 1 mgd – 5 mgd Over 5 mgd	\$ 1,550 3,125 10,325	\$ 1,240 2,500 8,260	\$ 2,575 5,150 20,625	\$ 2,060 4,120 16,500
Approval by Rule Consumptive Use; 18 CFR §806.22(e)	All quantities	\$ 1,550	\$ 1,240	\$ 1,550	\$ 1,240
Approval by Rule Consumptive Use; 18 CFR §806.22(f)	All quantities	\$ 2,575	\$ 2,060	\$ 2,575	\$ 2,060
Surface Water Withdrawals ³	Less than 100,000 gpd 100,000 gpd – 249,999 gpd 250,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 3,975 5,975 7,950 9,975 11,900 25,850 25,850 + \$4,425 for each additional 1 mgd increment ^{4,5}	\$ 3,180 4,780 6,360 7,980 9,520 20,680 20,680 + \$3,540 for each additional 1 mgd increment ^{4,5}	\$ 5,300 7,950 10,600 13,250 15,875 34,500 34,500 + \$5,875 for each additional 1 mgd increment ^{4,5}	\$ 4,240 6,360 8,480 10,600 12,700 27,600 27,600 + \$4,700 for each additional 1 mgd increment ^{4,5}
Groundwater Withdrawals ³	Less than 100,000 gpd 100,000 gpd – 199,999 gpd 200,000 gpd – 499,999 gpd 500,000 gpd – 999,999 gpd 1 mgd – 5 mgd 5,000,001 gpd – 10 mgd Over 10 mgd	\$ 6,800 10,225 13,675 17,100 20,475 44,450 44,450 + \$7,800 for each additional 1 mgd increment ^{4,5}	\$ 4,356 4,356 8,732 10,921 13,089 28,426 28,426 + \$4,992 for each additional 1 mgd increment ^{4,5}	\$ 6,800 10,225 13,675 17,100 20,475 44,450 44,450 + \$7,800 for each additional 1 mgd increment ^{4,5}	\$ 4,356 4,356 8,732 10,921 13,089 28,426 28,426 + \$4,992 for each additional 1 mgd increment ^{4,5}
<u>Diversions:</u> Into Basin	All quantities	\$ 10,125	\$ 8,100	\$ 10,125	\$ 8,100
Out of Basin	Less than 250,000 gpd 250,000 gpd or greater	10,125 30,350 + consumptive use fee (unless not applicable)	8,100 24,280 + consumptive use fee (unless not applicable)	10,125 30,350 + consumptive use fee (unless not applicable)	8,100 24,280 + consumptive use fee (unless not applicable)
All other projects requiring review and approval and not otherwise specified	All quantities and capacities	\$ 5,050	\$ 4,040	\$ 5,050	\$ 4,040

TABLE 3. PROJECT REVIEW RENEWAL FEES (continued)

Project Category	Requested Quantities ¹ or Capacities	Renewal		Renewal With Modification ²	
		Standard Fee	Municipal Fee	Standard Fee	Municipal Fee
Aquatic Resource Survey ^{6,7}		\$ 6,875	\$ 5,500	\$ 6,875	\$ 5,500
Aquifer Testing Plan ^{3,8}		\$ 5,125	\$ 3,832	\$ 5,125	\$ 3,832
Aquifer Testing Plan Waiver Request Evaluation ^{3,8}		\$ 5,125	\$ 3,832	\$ 5,125	\$ 3,832

¹ Fees are based on the maximum withdrawal amount (on a peak day or 30-day average basis, as appropriate) requested in the application.

² A renewal will be subject to the "Renewal With Modification" category if the amount of the consumptive use or withdrawal requested exceeds the original approved amount, or if there is a change to the source or to another major water-related project feature.

³ A separate project review fee is required for each withdrawal location, except for groundwater remediation systems that may be eligible for a single fee.

⁴ 1 mgd increment includes any amount from 1 gallon to the next mgd.

⁵ The maximum calculation of a project fee for this category will be \$282,675.

⁶ An aquatic resource survey fee may be required for applications for surface water and groundwater withdrawals, or for modifications or renewals of approved withdrawals (see footnote 7).

⁷ Aquatic resource surveys will be conducted on streams when recent relevant data are not available to evaluate the potential impacts of a withdrawal. Commission staff will make that determination during the review of an application and will invoice this fee separately.

⁸ If a waiver for an aquifer testing plan is requested and denied, the project sponsor will be required to develop an aquifer testing plan and pay an additional fee.

TABLE 4. ANNUAL COMPLIANCE AND MONITORING FEE^{1,2}

Project Category	Standard Fee	Municipal Fee
Hydroelectric	\$10,325	\$10,325
Diversions and Consumptive Water Use Projects Not Paying the Consumptive Use Mitigation Fee	\$ 2,075	\$ 2,075
Consumptive Use	\$ 1,050 ³	\$ 1,050 ³
Groundwater	\$ 1,050 ³	\$ 1,050 ³
Surface Water	\$ 1,050 ³	\$ 1,050 ³
Approval by Rule	\$ 1,050	\$ 1,050

¹ Annual compliance and monitoring fees apply to each docket approval or Approval by Rule issued by the Commission on or after January 1, 2010, including modifications and renewal of approvals that require Commission action on or after that date. Dockets approving multiple sources, withdrawals, consumptive uses, diversions or combinations thereof are subject to a single fee.

² All fees on this table will be invoiced by the Commission on or after July 1 of each year. During the first year, fees will be prorated by quarter on the basis of a fiscal year commencing July 1. Fees are due and payable within 30 days from the date of invoice. No refunds or credits of the annual fee will be given for rescinded projects or approvals unless the rescission request is received on or prior to August 15, in which case the fee will be adjusted to one quarter of the annual fee.

³ In the case of a facility operating under multiple dockets, the maximum annual compliance and monitoring fee will be limited to \$5,000.

TABLE 5. CONSUMPTIVE USE MITIGATION FEE

Project Category	Standard Fee
Consumptive Use Mitigation Fee ¹	\$0.32 per 1,000 gallons consumed

¹ Consumptive use mitigation fees are paid by project sponsors electing to use such payments as their method of compliance with 18 CFR §806.22(b). Such fees are deposited in the Commission's Water Management Fund and shall be used for planning, engineering, design, and construction phases of new projects, or the reformulation of existing reservoirs, or any other project or study initiated by the Commission to address the cumulative impact of consumptive water use or otherwise to support low flow management in the Susquehanna River Basin, as provided for in the Commission's Water Management Fund Policy, Policy No. 95-02, as revised June 8, 2005.

PROJECT REVIEW FEE WORKSHEET

Project Sponsor:

Facility:

Municipality:

County:

State:

Table ¹	Project Category ²	Source Location ³	Requested Quantity (gpd) ⁴	Municipal Fee (Yes/No)	Fee from Table
<div style="font-size: small;"> ¹ Application, modification or renewal. Insert "A" for Table 1. Project Review Fees, "M" for Table 2. Project Review Modification Fees, and "R" for Table 3. Project Review Renewal Fees. ² Consumptive Water Use, Approval by Rule, Withdrawal, Diversion, etc. ³ Name of withdrawal point (not applicable for Consumptive Water Use); e.g., Well 2A, Trout Creek, etc. ⁴ Requested amount of water in gallons per day (gpd) based on peak 24-hour period or 30-day average, as appropriate. </div>					
				Amount Due	
				Amount Paid	
				Check Number	